

ORDER NO. 3919

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Global Reseller Expedited Package Services 2
(MC2013-51)
Negotiated Service Agreement

Docket No. CP2017-183

ORDER APPROVING MODIFICATION TO AGREEMENT AND
DENYING AS MOOT MOTION FOR TEMPORARY RELIEF

(Issued May 26, 2017)

I. INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package Services 2 negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Modification.

¹ Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification One to Global Reseller Expedited Package 2 Negotiated Service Agreement, May 25, 2017 (Motion). The modification is an attachment to the Motion (Modification).

In Order No. 3903, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).² On May 25, 2017, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement. See Motion.

The Postal Service intends for the Modification to become effective June 1, 2017. *Id.* at 1. The Postal Service also intends for the Existing Agreement to become effective June 1, 2017. Order No. 3903 at 2.

II. COMMISSION ANALYSIS

The Commission has reviewed the Motion and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Modification replaces Article 6(2) of the Existing Agreement, changing the obligations of the reseller. Motion, Attachment 1 at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

² See Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, May 18, 2017 (Order No. 3903).

Other considerations. The Postal Service states that the Modification shall become effective on June 1, 2017. If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified. Accordingly, the Motion for Temporary Relief is denied as moot.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the scheduled expiration date.
3. The Postal Service's Motion for Temporary Relief is denied as moot.

By the Commission.

Stacy L. Ruble
Secretary